

FEMA has three major classifications of disaster relief grants and these are the focus of this audit guide:

Public Assistance Grants,
Individual and Family Grants, and
Hazard Mitigation Grants.

This guide is to assist independent auditors (IAs) in performing these audits at the State (grantee) level. The audits must be performed in accordance with the standards for financial-related audits of the U.S. General Accounting Office's (GAO) Government Auditing Standards, 1994 Revision, issued by the Comptroller General of the United States.

The objectives of these program-specific audits are to assist FEMA program managers in determining whether the grantee has (1) provided financial data and reports that can be relied upon, (2) has internal controls in place to provide reasonable assurance that it is managing FEMA programs in compliance with applicable laws and regulations, (3) complied with the terms and conditions of federal awards, and (4) expended Federal funds properly with supporting documentation.

The audit report is the primary tool used by program managers to meet their stewardship responsibilities in overseeing these programs. Program managers must act upon the areas of noncompliance and internal control weaknesses noted. To be of value, these reports must contain adequate information to give reported matters perspective and to allow the managers to take the necessary corrective action.

The guide is divided into two sections. In general, the first section discusses the background, objectives, audit planning and other considerations and establishes certain requirements to perform the audit. The second section contains fieldwork and reporting requirements.

This guide is not intended to be a complete manual of procedures, nor is it intended to supplant the auditor's judgement of audit work required. Suggested audit procedures contained herein may not cover all circumstances or conditions encountered in a particular audit. The auditor should use professional judgement to tailor the procedures so that the audit objectives may be achieved. If the auditor desires technical assistance pertaining to FEMA programs, regulations, or operations, the auditor should contact the respective FEMA-OIG District Office in Atlanta (770) 220-5242, Denton (940) 891-8736, or San Francisco (415) 923-7019.

We look forward to working with you throughout this engagement.